## PRESIDENT BEERS SPEAKS

Head of the Great New York Life Carefully Reviews His Reviewers.

HIS LETTER TO THE POLICY HOLDERS

Detailed Information Concerning the Company's Business Not Contained in the Insurance Department's Report-Some Very Interesting Explanations,

NEW YORK, Feb. 2. - The following address was given out here today:

TO THE POLICY HOLDERS OF THE NEW YORK LIFE INSURANCE COMPANY: On the 16th day of June, 1891, the following communication was transmitted to the Insurance department of the state of New York:

NEW YORK, June 16, 1891.-Hon. J. F. Pierce, Superintendent Insurance Depart ment, Albany, N. Y.: Dear Sir.-The charges that have been made against the company and its management in the pubhe press, growing out of matters connected with its Spanish-American department, having been cabled to our president in London, we are in receipt of a cablegram from him in response suggesting that the lusurance department be invited in the public interests to so make an examination of the company for the satisfaction of any policy holders who might be disturbed by these charges, and in accordance with his suggestion the finance committee of the company at its regular meeting held at this date adopted the following preamble and resolution at a meeting of the finance committee of the New York Life Insurance company. held this date the following proceedings were had:

Whereas, Certain charges and criticisms nave been made against this company in the public press, growing out of certain matters connected with the Spanish-American departwhereas. The finance committee of the board of trustees is satisfied from the statements of the offices that there will be no loss to this company by reison of the matters referred to; but it is desirant that the public should be equally satisfied; therefore,

Resolved. That to that end the superintendent of insurance of this state be invited to make a thorough examination of this company.

In accordance with the foregoing the company will be pleased to have this examination at your earliest convenience. Yours truly.

A. H. Wellch, Second Vice President.

In accordance with the above on the 22d

day of June, 1891, the insurance departmen was placed in charge of the books, records etc., of this company and remained in charge until the 4th day of January, 1892. There are many reasons why it seems not only proper but necessary to review with you the nsurance department fludings.

First, No corresponding tests have ever been applied to the life insurance business and the results ough to be presented to you. and the results ough to be presented to you, not only without prejudice, but from the company's point of view, and to me it seems to be clear that the only way to achieve this is by personal statement. I do not mean by this to reflect in any way on your sources of information hitherto. I say that no corresponding test has ever been applied to the business of life insurance. By this I mean no investigation by a state in-surance department has ever been made of a company whose assets and general business reach corresponding proportions. S test has been applied to the conduct business results have been achieved which a few years ago seemed impossible. The horizon has expanded and duties and responsibilities have failen upon me and the executive officers of this company, and of nearly all other life companies which, if not new in kind, are so much greater in degree as to constitute almost a new world of experience in our business. The investigation just closed has therefore been remarkable for this, as well as for other reasons, and, beyond question, in addition to its proportions, has been the most searching and merci-less inquiry ever made in the executive office of in any such investigation is and must be the integrity of the assets of the company. The figures of the inquiry were brought down to June 30, 1891, and the Insurance department's general statement is as follows:

Assets, \$120,710,690,64. Liabilities, \$106,214,0.0.81. Gross surplus on policy holders account, \$14,708,675.84. The superintendent of insurance well said in commenting on the above: "Those interested may be assured that this conclusion is correct and trustworthy." These words will bear reading a second time. They mean something different from a casual statement of financial responsibility on the business world. They could be used only after our assets had been subjected to a test which might seem from many points of view unnecessarily severe, but which from the nature of busi ness and the sacred character of its trust is unquestionably wise. The superintendent therefore, means that all doubtful items were climinated, that our opinions were necessa-rily ignored, that disinterested opinion was standard and that we were obliged to plead before a bar where mitigating cir cumstances were ruled out of evidence. After such a test, I may be allowed to offer my congratulations to our membership on the result and to the state that the other executive officers of the company, as well as myself, share with you in the satis-

faction of so great an achievement.

gratulations on this particular and most important view of the report. It would have been unnatural, I think, if the idea of myself and associates of the aggregate value of the assets of this company as expected in our last annual statement had differed to considerable degree from the idea of the gentlemen who fixed the values expressed i the Insurance department's statement. Differences could arise only in certain classes of investments. A large portion of the sets of such an institution is of such a char acter that there could be no riety of opinion as to its on any given date. But But it equally true that a considerable portion of the assets of this, as of every similar company, is of such a nature that its value at any given time must necessarily be expressed in different totals by equally capable and responsible men. The variation would express no actual fluctuation in value, but simply a difference in opinion. Which opinion might be for your purpose most nearly correct is again a matter of opinion, and while I concede the wisdom in such investigations of a conservative view, and, under the peculiar circumstances surrounding our request for this examination, the wisdom and necessity of an ultra-conservative view, I cannot avoid the conclusion that in these particularisms the opinions of men who have planned and directed the erection of the great company, while they may be accepted as the utterances of special pleaders, are wortny at least of consideration by you. I accept the aggregate financial findings of

the Insurance department, as constituting an endorsement of the management of this company at once satisfactory to you and credita ble to me and my associates. It is possible that in spite of the peculiar character of this investigation you would not have expected any word from me had the matter rested there, but the superintendent of insurance has seen fit, after announcing not only the solvency, but the great prosperity of the company, as evidenced in its gross surplus of nearly \$15,000,000, to take up and discuss certain items, and in doing so has criticised the management of the company in these details very severely. This constitutes an added and by itself a sufficient reason why i should go with you over the ground traversed by the Insurance department, in order that your attention may be called to many re-lated facts which do not appear in the report. The department's criticisms cover several phases of management, especially investments in real estate and agency work. The criticism of real estate matters calls attention to losses, which may be divided into actual losses, which I admit, and losses theoretical which arise from differences of point out specifically, with the attendant circumstances, and I raise the question of difference of opinion as to the remainder. Hefore entering on the discussion of any of these matters, it is due to all parties to say the investments are made only with the approval of the finance committee, consisting of five members and of which I am a member

Plaza Hotei-The report alleges a loss on this property of \$253,994. The super in-tendent of insurance uses this language in

estate experts of equal ability integrity often differ, and other and conscientious appraisers might value this property at higher figures, and even beyond its cost." The gentleman who by direction of superintendent of insurance valued this property at \$2,500,000 is a man eminently qualified to give an opinion on such a question. But it is also a fact that another gentieman of equal ability and char-acter within a few weeks testified before the supreme court of the state of New York that in his judgment the property at present is worth \$3,000,000. From your point of view, then, is it not fair to conclude that the alleged loss may after all be only a matter of opinion, but the case will bear one more comment. This property is as finely located as any on Manhattan Island for hetel purposes and perhans as finely as any hotel property in the United States. It is in the line of increasing values, and in my judgment will ultimately yield the company a large return

on the original investment.

Home Office Building—The report alleges a loss on this property of \$364,295. Its book value is \$1,314,295, and it enters the superintendent's report at \$1,550,000. To illustrate again how opinions vary as to the value of real estate, let us make a parallel between this and property of a similar character in New York and draw a conclusion. Take the value placed upon our home office building for the purposes of taxation and place it beside the same value of the Equitable Life Assurance society's home office building. The official valuation for purposes of taxation of your home office building is \$1,050,000; of the Equitable home office building, \$3,800,000. A statement of the figures at which each property was entered in the assets of its re-spective company December 31, 1890, is as follows: The home office building of the New York Life, \$1,914,000; home office of the Equitable, \$15,140,000. The department's estimate of the value of our property is approximately \$50 per cent, while the associate's ligures for the purpose of taxation are little more than 50 per cent of its book value. As the gentleman who appraised our home office building has never made an appraisal of the value of the Equitable's home office building we can hardly draw a conclusion from that basis, but figuring from the value placed upon it by the assessors the total value would be approximately \$7,600,000, if the book value of our home office were accepted at par. I cite these figures as strongly bringing out the truth of my suggestion concerning opin-ions as to real estate values. Every one is familiar with the eminent success of the Equitable Life Assurance society, and no one would be so absurdly unjust to that company as to allege a loss on this one parcel of real restate of \$7,500,000 or, indeed, any loss at all. From the policy holders' view, thorefore, is it not worthy of your consideration that in this case, as in the matter of the Plaza hotel, the loss alleged is after all perhaps a matter of

In fact, I could cite you good authority on real estate values in New York who will place on our home office building today a valuation in excess of its cost. There are many reasons why this estimate would be conservative. In the first place, the real estate was purchased in 1869, and is exceptionally well located. Anyone who knows anything about the history of real estate values in New York for twenty years will agree that there has been during that period a heavy advance in value on this and all property similarly situated. The building has not been allowed to deteriorate in any particular, and it would seem that our state ment of actual cost, \$1,914,000 was a very

conservative figure.

Holbrook Hali (now called the Yosmite) On this item a loss has been made. Briefly, the facts are these: In 1882 we made a loan on this property when in course of construction, and after the man to whom the loan had been made spent not only his own means, "a considerable sum," but the money loaned him as well, he failed and we were obliged to foreclose. The cost of the property to us after foreclosing was very little more than the amount of the loan. The work of completing the structure was then placed in the hands of an eminent constructing en-gineer. He supplemented his own knowledge by employing an architect and the building was finished. It was filled with a desirable class of tenants and would have paid a fair return on its cost, but for two errors which could not have been foreseen and which do not justly subject the finance committee to the charge of making a bad investment of money. In carrying out a theory of fireproof con-struction the architect made the same error precisely that the architect of Vice President Morton's hotel, the Shoreham at Washing ton, made, and both buildings had to be re constructed for substantially the same reasons. The mistake of the architect in each case was in creating such a condition that dry rot speedily destroyed the timbers and the building had to be vacated at once. It was then discovered that in tion the foundations of Holbrook put in by the men who first obtained the loan, were insecure, and as a final result the whole structure had to come down. It was then rebuilt under the supervision of of McKinmead & White, on the most ap-proved lines, and there is not a finer structure of its class in this country. The abso late loss to us there was approximately the cost of the first building. This we charged off and entered the property in our annual statement at the cost of the present building and ground. The figures, \$729,066, the appraiser of the Insurance department refused to accept and \$480,000 was named instead, and entered in the Insurance department's finding. It is proper to add that on our present basis of rental, this property will yield, when fully rented, a net income by per cent on the value placed upon it he Insurance department, and would vield a little more than 4 per cent on our valuation, (\$729,066). I do not desire to evade full responsibility for myself and the finance committee in this matter. The claim of infallibility in the investment and einvestment of hundreds of millions of dollars is one I have never set up.

Four—The Paris Property. This property

was purchased some years ago under the supervision of the chairman of our finance committee, who was on the ground at the me. His investigations as to the value he property were most searching, and the purchase was made with all due care. That the rental value of the property has since depreciated is true, and that there is an apparent loss is true, but if the superintendent had not only secured an appraisal of the value of the property as it now stands but had also investigated the value of the property when it was nurchased, he could fully satisfied his duty as examiner and at the same time have given you a satisfactory reason for the original price paid. But no such investigation was made, and as his findings seem to do us injustice, not only as above cited, but also in the value placed upon the property now, the matter will bear a word more in explanation. It was brought to my notice during the superintendent's investiga tion that the figures supplied by the department of taxation of the French government on his request represented values affixed solely for his particular purpose. Our manager at Paris with a great deal of difficulty succeded in getting the Credit Foncier, the largest institution of its kind in France, and a society the reputation of which is well known throughout Europe, to have a valua-tion made of our property. This valuation was made with the greatest care by two of its most experienced inspectors, and their findings properly attested were submitted to the superintendent of insurance. He pre-ferred, however, leasunuch as he could not procure in the limited time at our disposal an admission from the French government that its figures represented taxable value only, to reject the figures offered. In this way the estimate of the inspector's exceeds the figures of the French government by \$163,000 and their estimate of its prospective value, with the improvements certain to be made by the city of Paris, exceeds the figures adopted by the superinten dent by \$593,600. As I understand it, the variation in the superintendent's figures from the probable value of this property similar to the loss which would appear if the home office building of the Equitable Life Assurance society should be placed on a schedule of its assets at \$3,800,000, its value for purpose of taxation, and not at \$15,000,000. its book value. To place the property of the Equitable in a schedule of its essets at such a total as to show a loss of \$11,340,000 would be so unjust as to become absurd, yet a simi-lar thing seems to have been done in this

Five On Western Buildings. The report of the superintendent of insurance values the office buildings recently erected by us in Minneapolis, St. Paul, Kansas City and Omaha at their cost to the company, but his opinion of the wisdom of the investment seems to be uncertain, as this language indicates: "There is no immediate prospect that seems to be oncertain, as this language indi-cates: "There is no immediate prospect that they [the buildings] will prove as profitable as the investments of life insurance compa-nies should." I desire to offer a word in that connection. There are two reusons why the

and of such great value, the opinions of real estate experts of equal ability under normal conditions but were completed and integrity often differ, and other in the midst of a period of business depression in the four cities mentioned, and accordingly we have had fewer tenants and lower rents than we may reasonably expect here-atter. (2) The buildings were located with a view to future developments of their res-pective cities. Any one who has observed the rapid growth of the west will appreciate the necessity of considering the future even more than the present in the location of an office building. Present revenue was, therefore, not so much of a consideration as that the buildings should be so located that the future may tend constantly to increase and not decrease the rent-procuring power and value of the property. You will understand of coarse that investments of this character are valuable, because the element of risk in reinvestment is practically eliminated. The reinvestment is practically eliminated. The money expended in this way is a fixed Item for a very long period of years. The full wisdom or folly of such a transaction is developed only by time. You will be interested to know, however, that one of these buildings is already yielding us a fair return on the money invested, and I am further advised by competent authority that since the date of our purchase of the real estate on date of our purchase of the real estate on which these buildings are situated there has been a net appreciation in its selling value of \$500,000, as shown by the appraisals made at the close of 1890 and by purchase of adjoining property since made by other people. In entering these properties on books and in submitting our estimate of their value to the superintendent, which he accepted, we did not take this evident increase into account as evidence that the erection of this chain of western buildings was well considered. I point you to the fact that investment was entered upon after discussion and approval by the board of trustees, in my theory that it is only fair to the members of a company like this, the nature of whose business makes large accumulations of money necessary, that the money to be invested should go as far as practicable to those sections of the country whence it emanated. In this case a part of the money received was invested amongst the people who paid it. The only theory on which these buildings can be rated as bad or even doubtful investments is one which discredits the future growth of the western states. The report notices that; as advertisements of the company that they (the buildings) no doubt have a considerable value. This is eminently true, the territory n which these buildings serve especially advertise the company include the states of Minnesota, North and South Dakota, Mon-Allonesota, North and South Dakota, Mon-tana, Iowa, Nebraska, Kansas, Missouri, Texas and Indian Territory. The people of those states are in constant business and social intercourse with one or more of the cities in which the buildings have been The buildings have, therefore, become widely known or as the superintendent's report says, 'each of them ferms one of the attractions of the city in which it is located." Their influence upon the company's businesf is extremely important. In 1886 the year before the buildings were begun—the aggregate new insurance written by the company in the territory in question was \$.047,200. This aggregate gate has steadily increased until for the year 1891 it amounted to \$28,869,950, which is the largest business that was secured in that field during that year by any life insurance campany, and not only was the quantity of the business remarkable, but its quality was such as to make it most desirable in every way. Without the buildings it is safe to say

such results could not have been obtained.

I may add, by way of general comment on real estate matters, that while the superintendent notices that the company owns 147 parcels of real estate and has 900 other parcels under mortgage, and the further fact that these properties are scattered not only through many states of this country, but over two continents the nature of such duties made it necessary perhaps, to omit commen on the real estate transactions in which have been realized and to confin himself as radically to the four parcels which he discusses, but your interests reach further, and you will naturally be pleased to learn in this way not only the relation of the items criticized to the company's total hold-ings, but also the circumstances surrounding each case. If these related facts tell you anything, it is the probable existence of a surplus largely in excess of \$15,000,000 We all accept the superintendent's figures. Yet, as you and I are particularly interested in the whole case, we are permitted between ourselves to view the possible effect of these facts. Suppose, for example, that the superintendent had accepted the well known opinion of one of the heaviest holders of New York real estate as the value of the Plaza Hotel, \$2,750,000, and that he had accepted the value of our home office building, on a rental basis of 5 per cent net, and that he had accepted the inside figures of the inspectors of the Credit Foncier, as to the value of the Paris property, his net deduc-tions on real estate, including his heavy deductions on Holbrook Hall, would have been only \$429,309.25. This alone would

Agency Management—Under the head of gency management, the superintendent of nsurance says that funds of the company to the extent of hundreds of thousands of dol lars have been advanced to these agents without interest and upon insufficient se-curity to persons unfamiliar with the life of insurance business, and this statement would seem to indicate the worst possible management of our agency department. The facts ought therefore to be fully explained. The general system upon which advances have been made to agents by this company and other life companies may be illustrated as follows, the figures used being merely illustrative, and not the terms of any actual ex-isting contract. The company, we will say, enters into a contract with Brown, who is general agent for a state, that he shall re-ceive a commission of 25 per cent of the first year's premium of all policies placed by him. and a renewal commission of 5 per cent each renewal premium paid on each policy. Brown, of course, finds it necessary to employ Jones and others as sub-agents and ne ordinarily pays them 25 per cent commission allower him by the company on first year's premiums. Brown reites upon his renewed commission for his own compensation, but while be continues in active service, he is frequently allowed to draw on a fixed amount against commissions for his living expenses, such amount being regulated by the circumstances of the case. As competi tion increases, Brown finds that in order to retain Sub-Agent Jones he will be obliged to pay more than 25 per cent commissions. do this Brown is obliged to make a new arrangement with the company. Instead of ncreasing Brown's first year commission he company agrees to advance to him a sum equal to two renewals or 10 per cent, on the usiness secured by Jones and to hold all of frown's future renewalo commissions under the contract is security for the advance. Brown is now able to to pay Jones 35 per cent commission, and so relieve his service, but at the end of the year Brown is apparently in debt to the company in an amount equal to 10 per cent of all firs year premiums secured by Jones, and the larger the business the larger the apparent This will continue until such time as debt. the old business kept on the books greatly exceeds the amount of the new business annually done. In a rapidly increasing busi ners this result will not be reached for several years, but if the total amount paid ners this result Brown has not exceeded what the business was actually worth, the time will come who the commissions accruing under his contrac will exceed the total cost of the year's busi ness. Brown's business from this time forth will require a less expenditure on the part of the company, and in proportion to i debtedness, appears under his contract will disappear more rapidly than it accumulated at which time Brown will realize the profi for which he has worked. The company having already paid for this business in large part, will have a lower expense ratio to this extent in the future, and its surplus will be correspondingly increased. You will notice that this debt does not represent money which Brown has squandered or re tained for his own uses. He has simply used the money to carry on the company's busi ness. If it should ever happen that Brown's renewal commissions fall to cancel the debt. the business has simply cost the company what it cost Brown, and the company has taken good care that the total amount of commissions and advance received by Brown should never on

by him was worth. On L. C. Nanuxem & Co.-The superintondent criticises the agency of Messrs. L. C. Nanuxem & Co., at Philadelphia, Pa., and alleges a debt to the company on account of what he terms extravagant allowances of several hundred thousand dollars. Referring to the illustration above of the method on which a general agent's business is conducted and the manner in whic an apparent debt might be contracted when I state this property of \$253,994. The super intendent of insurance uses this language in
immediate income from these properties is
sonnection: "In property of this character,
smaller than we may fairly expect to receive clear explanation is offered you of how.

Leomis L. White & Co., and on the 30th of

sum greater than the new business secured

appear to exist. In this particular agency the advance contemplated in our liinstration took on various forms undervarious contracts which, however, were
always subject to our approval, arainst the
commissions parned and to be earned, the
members of this firm drew advances for living expenses, abbefore referred to, and advances on account were made to some subagents, but at no time has the amount of
money advanced to L. C. Vanuxen & Co. excoded the value of their firm's business.
Under this system of organization it has Under this system of organization it has been possible for a single firm to bandle a large territory and by creating renewal in-terest (in this case of very large proportions) we have avofted frequent changes of general agents and bave largely escaped the danger of having our business carried to other compan-ies by an agent whose interest. In any given policy ceased with the first year of its existence. In this way Messrs, L. C. Vanuxer & Co. have done for years a larger busines than the new business of three smaller life insurance companies and the largest business of any single agency in the United States. It has been done at a not unreasonable expense and the cost of its procurement has been in-cluded each year in the disbursements of the

The whole theory of this organization and

the purpose of the advance is (1) to produce

tive for the general agent or manager to pro-

cure business at the lowest possible cost, in order that after a period of years he may

begin to realize a return commensurate with

a large business and (2) to create an

the work done. As the cost of the business is charged off each year it becomes necessary to keep with the manager a blotter or sub-ledger, and the items are all brought forward from time to time. Of course this, under the illustration whould show for an office doing \$20,000,000 of new business in a year, and for a series of years, a large ap-parent debt, and the superintendent of in-surance, instead of viewing the business as we have done, as simply business paid for, decides to go into this subject and spread bofore you the apparent debt. It is of first importance that you understand clearly that this money is not due from L. C. Vanuxem & Co., in the ordinary acceptance of the word "debt." It is due under the terms of their contract at the properties of the company of the contract at the second section. contract at such time as the commissions earned on the business done will liquidate the money advanced from time to time for the conducting of the business. It has not benefited them personally and never can until, as stated, the earnings of their busi-ness have liquidated all moneys drawn for every purpose under the contract, including advances and agency expenses of every kind. And here let me call your attention to an extremely important fact which applies to all discussion of agency matters by the superintendent, and which he forgot to mention, namely, that these advances in every case were charged to expenses in the company's books when "the advances were made and the company has never counted them as a part of its assets or surplus. The superintendent, therefore, instead of unearthing with great difficulty something the company desired to conceal, as he states, practically set up an arbitrary standard of what he thought our business cught to cost in any given year and charged up as a debt the difference between his opin-ion and ours. It would scarcely be less unjust to the company had he alleged in any given year that the aggregate paid for the account of the business of that year was \$1,000,000 or \$2,000,000 too large, in his report had set this as a sum due from the men up whom it was paid. Right here I desire to state, and I state it with all due respect for the opinion of the official whose conclusions I differ from, that in matters of this character, the conclusions of men who have thirty years' experience in this business as to the prospects of paying a given sum for given volume of business (they alone being conversant with all the surrounding circumstances and contingencies) are as likely to be correct in the interests of policy holders, as the opinion of a gentleman who, while eminently qualified for the duties of his office, cannot be credited with special knowledge in the particular interests now under discussion Spanish American Department-The super

intendent naturally treats at some length the affairs of the Spanish-American department The invitation extended to him by our board of trustees to examine the condition of this company was called out chiefly by an incor-rect and misicading statement relative to an alleged defalcation by one of its managers. for which the company, it was stated, alone must suffer. I shall refer principally in the matters discussed by the superintendent under this head to this central and to you important quession—the fact that Mr. J. Mersepache, one of the managers at that time of the Spanish-American department became a defalter for a large amount. The statement as originally published that Mr. Mersebacher defaulted direct to the compay was an error. Under the contract which we had with the two man agers of the South American department, each became responsible for the action of both, and Mr. Sanchez, the other general manager at this time and manager of the Spanish-American department at the present ime, accepted, under the terms of his con tract, full responsibility for the Mersebacher shortage. This shortage consists of two parts. A direct theft by Mr. Merse-bacher from Mr. Sanchez of \$419,-\$22.19 and \$119,059,10 which was an over payment by Mr. Mersebacher to the former general manager of the Span ish-American department. Since the dat which the accounts were made up and the shortage definitely determined, the item of \$119,059.10 has been considerably reduced on the books of the company by accrued renewal commissions retained by Mr. Sanche and by him turned over to the company in cash. The larger item, representing the money appropriated for his personal use by Mr. Mersebacher, has been reduced since December 31, 1890, by \$160,671.89, teaving a balance due January 1st, 1892, \$253,151.08. The actual net profits for the year 1891 to this depart-ment have not yet been fully determined, but its balance sheet shows that they will not fall short of \$100,000. This leaves the balance due the company on this account on this date a sum but little in excess of \$150,000, for which the company also holds abundant security. The superintendent closes his review of the Spanish-American department with these words: "From the ment with these words; "From the foregoing facts we must conclude that Sanchez and Mersebacher were treated a degree of liberality inconsistent with the best interests of the company." That conclusion is not correct. The department has always been eminently successful and its business has been obtained at a normal cost. S. L. Dinkespiel -The superintendent ex-

presses the opinion that S. L. Dinkelspiel was retained too long as agent of the comcompany. Mr. Dinkelspiel secured for us a large amount of desirable business. The men whom he insured were among the wealthiest and most influential in the cities where he worked. It came to knowledge, however, after a time, that business methodsiwere objectionable and for that reason, in the year 1889, his agency was terminated. Mr. Dankelspiel's contract comes under the general allustration cited above, except that he was personal solicitor only and many modifications were made to enable him to handle the peculiar class of business which he wrote: Advances were made for the same purpose. It is probable, however, that while there is today on our books a large volume of business of the best quality written by Mr. Dinkenspiel, a reasonable ten by Mr. - Dinkenspiel, a reasonable renewal interest will not finally liquidate the advances made, and that this business will ultimately cost is more than it should. For any error of judgment in employing this man, as well as for any ultimate loss, I do not desire to escape from any proper responsibility.

Mr. Loomis Ed White, the superinter dent of insurance, discussed at some length the relations which have existed for about six teen years between the New York Life In-surance company and Mr. Leomis L. White, a member of its board of trustees and of its finance committee, and two questions are

First-As to whether or not a firm, a men ber of which was a member of the company board of trustees and of its finance commit tee, could act for it as brokers without hav ing the opinion of such trustees as to the value of securities affected by the probable ommission which the firm would receive on such transactions.
Second—Whether or not the company had the right to purchase securities through such

firm of brokers.

The first question may be briefly disposes of without discussing by a simple statement of the results. In the years covered by Mr. White's connection with the New York Life Insurance company about \$65,000,000 of securities have been purchased by the company's finance committee, and a considerable

found foem worth to the company something more than \$1,000,000 above the cost value, at which they are carried on the company's books. Such a result is the best answer to all questions as to the wisdom of the finance commutate's action, and in so far as Mr. White's action influenced it is an evidence of the value to the company of this connection. The second question is one of which opinions of coursel differ.

I have reviewed now with you the graver criticism's of the superintendent's report. I shall stop here. I realize that there are other criticisms which I have not referred to and I do not deem it necessary to do have tried to present to you fairly the facts concerning those of most importance, and I believe I have shown you that while there have been errors in the management of this company, there has been no betrayal of trust. A full criticism of errors with an equally full statement of management deserving commendation would have been only fair to you and perfectly satisfactory to me, however severs these criticisms might have been, but the superintendent of in-surance, who was invited to examine condition of this company, while prop-erly criticising whatever he deemed criticishes, omitted to state the other side of the case, and in addition unfortunately so stated his criticisms as to make it probable that you may have misunderstood and ober rated their importance. desire to reiterate my disclaimer of infall-pility and rnd repeat the message sent from Europe last summer, that in business of our magnitude mistages are inevitably and we compare favorably with others. But my in-territy of purpose cannot be shaken. Gen-eral det results are the touch stones in every business. We need not go far to find confirmation of this. Errors have been made, perhaps, in the management of every company doing business, but as there are some of common notoricty, I may refer to them without seeming to attack the companies themselves. In addition I will say that to the best of my knowledge and belief all of these cases are natural experiences, in cident to the fact that no one is infallible The Connecticut Mutual lost outright \$440, 000 through the defalcation of its financia correspondent at Indianapolis in 1888. The Mutual Benefit Life Insurance company of Newark, N. J., a company eminently conservative in all things, lost about the same in Elizabeth, N. J., bonds. It is a well known fact that The Equitable Life Assurance society marked off in 1889 and 1890 almost \$1,000,000 on real estate, and that it carries nearly \$2,000,000 in its published statement of assets and surplus as commuted commis sions, agency balances, etc., which is practically anothe form of expressing what the superintendent calls a "debt" in the case of L. C. Vanuxem & Co. In the report of the department examination of the Mutual Life Insurance company made in 1890 it was stated that \$989,701.48 had been charged off to profit and loss on account of

its office buildings.
After naming these cases (and others might be referred to) we have simply recited a list of average errors, which, in proportion to the interests at stake, represents less loss than the experience of any business of which I have knowledge and with which the management of the New York Life Insurance company invites comparison. I referred in one of the opening paragraphs of this letter to the new and larger responsibilities which have been met to the best of our ability within ten years. Amongst these has been the growth tain evil practices in the conduct of the business of life insurance. Several sugges tions for their remedy have been offered, but fer rheir complete reform it does not seem to me that any adequate remedy has yet been named. The worst practices, the most de-moralizing, and in every way the most reprehensible, are the giving of rebates to in-surers and the more or less con-stant attempts of companies to entice into their own service the agents of competi tors. This is a natural result of fierce competition, and in my judgment should be speedily eliminated, and it seems to me that the one and all sufficient remedy would be, and I desire to go on record as endorsing that plan to limit by statute the amount of insurance that a company shall place upon its books. That amount having been reached, the incentive of that company for obtain ing new business is entirely taken away and it is practically eliminated from the contest. This might disappoint umbitions managers myself included), out from the point of new of a citizen, it would be altogether beneficial. Such a law would tend to give the younger and smaller companies a better op-portunity to grow, and would greatly strengthen and extend the bene-ficient work of life insurance, by at once curtailing errors in the conduct of the business, and widening the field of its operations. In conclusion let me say, when my official

relations with the New York Life Insurance company began twenty-nine years ago, its assets, after eighteen years of existence, were less than \$2,000,000, and its surplus less than \$200,000. Its history ince, its officially determined assets June 20th last of \$120,000,000, its \$15,000,000 n surplus and its annual income of over \$30,000,000, I submit to your impartial judgment as the achievements of my associates and myself during the administration of our trust, I remain yours faithfully. W. H. Beens, President

FROM YESTERDAY'S SECOND EDITION.

Results at Gloucester. GLOUCESTER, N. J., Feb. 1.-Weather clear track heavy.

track heavy.

First race, five-eighths of a mile, selling: Penzance (the favorite) won, William Henry econd, Euna third, Time: 1:75½.

Second race, six and one-fourth furiongs, selling: Unilita (the favorite) won, Jersey second, Comtorter third, Time: 1:25½.

Third race, one and one-eighth miles, selling: Birthday won, Crispin (the favorite) second, Ebles third. Time: 2:19.

Fourth race, one and three-sixteenths miles, selling: Can't Tell won, Bravo second, Blackburn (the favorite) third. Time: 1:29.

Fifth race, five-eighths of a mile, selling: Guard won, Jack Marray second, Emma J. (the favorite) third. Time: 1:07½.

Sixth race, three-quarters of a mile, selling: Richal won, Jackstaff second, Little Addle (the favorite) third. Time: 1:25.

Hall Couldn't Do It. CHICAGO, Feb. 1.-Tonight at Battery I armory 5,000 people saw Jim Hall, the Australian, try to stop Mike Boden of Phila delphia in four rounds with four-ounce gioves. It was an exciting struggle, but Hall, though plainly Boden's superior by far, failed to knock out the Philadelphia man Boden clung to wrestling tactics and made

no attempt to punish Hall Another Minor League. Kansas City, Mo., Feb. 1.-There is a proect on foot to organize a new minor western league, and a strong effort will be made to get the matter in shape. The towns which it i proposed to have in the new circuit are S seph, Lincoln, Sioux City, Des Moines, nincy, Kansas City, Kan, Topeka and eoria. A circular has been sent out from St. Joseph to all of the towns which it is thought will take hold of the project, and favorable answers have been received from a number of the cities. A meeting will proba bly be called shortly to consider the matter.

Going at Guttenberg. GUTTENBERG, N. J., Feb. 1.—Track was in fair condition today, the attendance was

arge.

First race, five furlongs: Blas won, Vi
Dyke second, Alzebra third Time: 1:05%.

Mobilean we Second race, six furiongs: Mobiesa won Jay F. Dee second, Maxim filly third. Time Third race, six and one-half furlongs: Duke Third race, six and one-half furiongs: Duke John won, Smuggler second, Prince Howard third. Time: 1:24.
Fourth race, one mile: Mabelle won, Rancocas second, Text third. Time: 1:45.
Fifth race, five furiongs: Once Again, won, Siratagen) second, Swifter third. Time: 1:534, Sixth race, one mile: La Grippe won, Algernon second, Excellence third. Time: 1:544.

Toledo Will Have a Club. Toleno, O., Feb. 1. - Special Telegram to THE BEE. |- Valentine H. Ketcham and others have placed Toledo on her base ball legs, and in the Western association. President O. M. Evans and Manager Gus H. Schmel. of the Columbus club visited the city today and after a short talk with Mr. Ketchan convinced him that Tolodo wants base ball. It was decided to meet in Columbus tomorrow, when Mr. Ketcham will take the vacant place made for Toleda at the Chicago meeting. About \$90,000 will be put in the club.

Both Men Were Tired. Sr. Louis, Mo., Feb. 1. - In the wrestling natch here tonight between Max Luttberg of New York and B. S. McPadden of Missouri for the 140-pound championship of the United States, McFadden won the first fall in one hour and twenty-five minutes, but owing to the exhausted condition of the men the match was declared off. A new one may be made.

Dangerous Position of the Big Transatiantic Liner Eider.

HER PASSENGERS SAFELY TAKEN ASHORE

Accounts of the Accident Told by the Passengers-Coolness of the Vesser's Officers -A Thick for Responsible for the Vessel Running Aground,

Loxnon, Feb. 1 .- On a rocky ledge of the Isle of Wight, only nine miles from Osborne house, where Queen Victoria is, the big steamship Eider of the North Garman Lioyd company, is rocking fore and aft, her bows and storn in deep water. Two hundred of her passengers have been landed in surf boats and \$300,000 in com, which is part of the steamer's freight, has been brought from the hold and piled in sacks on the shereward side of the main deck. If serious danger should develop this coin will be gropped overboard upon the rocky ledge whence it may at any time be recovered by divers.

Cutting Through the Fog. At about 9 o'clock last night the nose of the big steamer was cutting through a dense fog trying to find the Solent between the Isle of Wight and the English mainland. She was bound in from New York January 23 to Southampton on her way to Bremen, which is her home port. The Needles and St. Catharine lights should have been kept on ber right side and the mainland lights at the entrance to the Solent on the left. In the dense for however, the Eider dropped south of what should have been her course and at 10 o'clock was heading dead on to Atherfield ledge, a dangerous formation of rocks on the southwest coast of the Isle of Wight, and soon afterward stranded upor them. To judge from her position the Eider evidently was carried by a roller about half way over the ledge and was then dropped on the rocks. She lies with her bow and stern in compara tively deep water, her midship section rest ing on the ledge. Efforts to dislodge the steamer at the next flow of the tide were not successful but many powerful tugs are about the ship and it is yet hoped she may be

pulled off. Among the first passengers landed from the Eider by the life boats were Mr. Pickard of Kansas, Mrs. Martin, Mrs. and Miss Grant and two children of New York, Mrs. Wallsever and three children of Brooklyn. and Mrs. Bendig, Mr. and Mrs. Abraham, 1. M. Keller, Mr. and Mrs. Ashender and Mr. Rankin. Account of a Passenger.

Mr. Ashender was interviewed after he had reached the shore and he gave an account of the accident and of the scenes attending th stranding of the big steamer. He said that at the time the Eider struck on the ledge the weather was foggy and it was only possible to see objects a short distance away. Two lights, however, were visible. The passengers were somewhat startled when the steamer first went on the ledge, but

they were soon reassured by the news that there was no danger. No confusion occurred among the passengers and no alarm pre vailed, owing to the assurance of the steam er's officers that the vessel was safe and as sistance was near if it was needed. So confident were the passengers on the assurances that, acting under the advice of the captain of the Eider, they were all reductant to quit the vessel on the Atherield life boat when the life savers succeeded in reaching the side of the steamer and offered them the transfer to the shore. The life boat remained at the scene of the accident for some time, but the crew said their services were not necessary, so they decided to return, and they left the steamer without taking any of the passengers back with them.

Arrival of the Life Boats.

When the Brightstone life boat came alongside of the steamer later on, the cap-tain of the Eider again refused the offers of ielp from the life s to return to the shore. The crew had only rowed a short distance, however, when Mr Ashender decided that as the steamer still remained fast on the ledge, and that as there seemed to be little likelihood o her getting affoat, it would perhans be the safest plan to go ashore, and he there-upon shouted for the life savers to come back and entered the boat with twelve others Soon after the two life boats began landing passengers as quickly as possible. These took refuge temporarily at the Black Gang hotel, while those landing at Brightstone, proceeded to London. The passengers con-curred in the statement that there is no apparent danger to the vessel. By nightfall six turs had arrived and were

awaiting the attempt to tow the vessel off. During the day the Eldersunk on the rocks considerably about half a mile from shore the seas breaking over her. A dispatch sent at 10 p.m. says: "All passengers and the rest of the mails have been safely landed. The crew remained aboard preparing for the at tempt to tow the steamer off. The attempt will be made at 1 a. m.

Safely Landed on Shore.

The last boat-load of passengers was taken off amid the rejoicing of a large crowd on the beach. The rescuing crows received an ova-The specie remains on board the ship. The captain thinks the vessel will come to no barm during the night. The weather is finer than during the day, the night being clear and starlight. The landing of the Eider's passengers by

the life boats became somewhat risky after S o'clock in the evening, when the wind, which was blowing dead ashore, freshened considerably and threatened to increase to a gale. This change in the wind rendered the operations of the life boats very difficult and much care had to be exercised in the management of the craft, but all were finally dragged fafely through the surf.

The captain of the Elder took precautions to save the large amount of money which was being shipped by the steamer. He gave orders to have it carried from the place where it was stored to the deck and a large number of bags, containing in all \$300, 000 in specie, were soon piled on the deck of the vessel facing the shore. The big heap of noney was so arranged as to be ready should the necessity arise, to be at once sunk in a safe place among the rocks, whence it could afterwards be recovered easily by divers. Miscalculated His Position.

Captain Addison, one of the passengers of he Eider, in giving an account of the acci dent, said that the captain of the Eider calculated that the vessel was a few miles westward of the Needles, a cluster of three islands to the west of the Isle of Wight. The steamer struck on Atherfield edge just as the lead was being heaved. sounding taken only five minutes previously had indicated ten fathoms of water. Neithe

the Needles light nor the St. Catharines light were visible when the Elder struck. The men in charge of the St. Catharines light say that the fog stron was in full opera-tion at the time of the stranding of the steamer, and was clowing all through the four hours the fog lasted, and that the electric light with which St. Catharines is furnished was burn-Catharines is furnished was burning at its fullest power. The weather was so intensely heavy, however, that although the Edder was only three miles distanced of tant from St. Catharine neither the sound of the siren nor the rays of the light penetrated the fog to give those on the steamer any intimation of the danger with which they wer

Relief for Russia's Starving.

CEDAU RAPIDS, In., Feb. 1 .- | Special Tele gram to Fun Ben. |-Saturday evening Everybody's Friend" was presented by ocal talent for the benefit of the Russian sufferers. The house was packed, each person paying the price he desired for seats, ranging from \$1 to \$5. When the receipts were counted today it was found that over \$800 had been realized.

Will Afford an Escort.

The Samoset club held an impromptu meetng at Moynthan's last night and it was agreed that when Governor Boyd went back to Lincoin to occupy the governor's chair the Sameset club would be in it. Several promi-nent members of the club stated that fully 300 members of the organization would go

under the above practice, a large debt might appear to exist. In this particular agency these securities at a time of depression, found them worth to the company something at a special meeting of the Omans Guards.

At a special meeting of the Omans Guards. At a special meeting of the Omans Guards held last evening, the company decided to accompany Governor Boyd on his trip to Lincoln. This move on the part of the guards emanates wholly from a nonpartisan standpoint, and the action was taken because James E. Boyd has been declared governor of Nebraska. Fully fifty members of the guards will make the trip to Lincoln with

> FREDA WARD'S MURDERESS. Alice Mitchell and Her Friend, Lillie John-

son, Arraigned. Mampurs, Tenn., Feb. 1.-Miss Alico Mitchell, the murderess of Freda Ward, and her friend, Miss Lillie Johnson, were acraigned before Judge Duboise in the criminal court this morning. They were accompanied by several members of their families. Both young ladies were heavily veiled.

Judge Duboise ordered the prisoners to stand up and remove their veils while the indictment was being read. Miss Johnson obeyed, but Miss Mitchell kept ber face covered. Neither showed any emotion.
Deputy Clerk Hunter read the indictment

and the accused were called upon to plead to it. Miss Johnson said, "I am not guilty," and dropper heir veil instanter. Miss Mitchell was immovable. Not a sound escaped her lips.

Colonel Gant of counsel for the defense in-terposed in her behalf, saving: "Your honor, we plead not guilty as to Lillie Johnson and present insanity as to Alice Mitchell." The prisoners were then returned to the

The defense will present their plea in Miss

Mitchell's case in due form some time this week. It is their intention to summon a number of medical experts to testify before the inquisition of the lunacy and will take time to get them in hand.

In the event Miss Mitchell is declared insane which will be the effect of a verdict Miss Johnson's case, asked a reporter of Col-

onel Gant. "In law none-merely speaking, a great deal," answered the colonel "It is not reasonable to suppose that any same person would conspire with a lunatic to

commit murder. No application for bail for Miss Johnson will be made if the case shall be called for trial at an early day. Justice P. M. Winters has been retained

SOUTH DAKOTA POLITICS. Arrangements Being Made to Select Demo-

cratic Convention Delegates. YANKTON, S. D., Feb. 1,- Special Telegram to THE BEE. |-Otto Peemiller of this city, chairman of the democratic state central committee, has called a meeting of that committee to occur in Huron Wednesday, February 24, for the purpose of calling a state convention to elect delegates to the national convention to be held in Chicago. The state convention will probably be neld in

this city. Omaha Firms Involved. YANKTON, S. D., Feb. 1 .- [Special Telegram to Tus Beel,-C. M. Wilson, a heavy fealer in general merchandise at Aven, a small town in Bonhomme county, was closed on a foreclosure of chattel mortgages by the sheriff today. Wholesalers in Sioux City, Chicago and Omaha will be losers to the aggregate amount of \$12,000. Two Sloux City firms are, however, protected.

Steamer Arrivals, a At Queenstown-British Prince from Phil-At Gibraltar-Werra from New York.

At London-Sighted-Calla from New York; Switzerland from Philadelphia. At Copenhagen—Italia from New York. At London-Michigan from Philadelphia At Glasgow-Nestorian from Pailadelphia. At New York-Spain from London; Aur ania from Liverpool.

Hood's No other medicine ever placed before the public Sarsaparilla has won the people's confi-Is dence so thoroughly as Hood's Sarsa-parilla. From a small beginning this Peculiar medicine has steadily and rapidly increased in To popularity until now it has the largest Itself Its success it has won simply because it is constantly proving In that it possesses positive merit, and does accomplish what is claimed for it. Strength, This merit is given Hood's Sarsaparilla Economy, by the fact that it is prepared by a And Peculiar Combination, Proper-Curative Hood's Sarsaparilla, and by which the full Power medicinal power of all the ingredients used is retained. 100 Thousands of voluntary witnesses all over the country testify to Doses wonderful benefit derived from it. If you suffer from One Dollar any disease or affection caused Be Sure by impure blood, take Hood's Sarsaparilla.

To Cet Sold Hood'S druggists. C. I. HOOD & CO., Lowell, Mass.



ys ready; easily prepared.

THE ORIGINAL

Complete and Satisfactory and only Complete and Satisfactory Condensed Mince Meat in the Market. Cheap Substitutes and Grude Imitations are offered with the aim to profit by the popularity of the New England.

Do not be deceived but always insist on the New England Brand. The best made.

SOLD BY ALL GROCERS.

## CUBEB COUGH CURE

One Minute Remedy

For all affections of the Throat, Lungs and Bronchial Tubes EXCEPT CONSUMPTION 25 AND 50 CENTS.

## HARD DRINKERS CHLORIOCOLD!

No matter whether the person is a moderate of periodical drinker or a "total wreek," CHILO-HIGGOLD destroys all appetite or craying for alcoholic simulants without harm or inconvenience, and assures the patient new life and happiness. Belon fasteless I can be given by a friend in tea, soffee, is monade, beer, liquors, or food without the patient's knowledge, or it can be taken by the patient in the same liquids, with a quarantee of absolute success and a radical cure in either case. Hundreds of care have been made with CHIORIGGOLD in litinos alone. Frica within reach of all, only \$8. CHILORIGGOLD can be had of our agents or sent postpaid by us. Famphlets furnished free. All correspondence confidential. MADRID CHIZMICA I. COL. Sole Proprietors for the U. 8., 36 Dearborn St., Chicago. FOR SALE IN OMAHA. NEB., BY

FOR SALE IN OMAHA, NEB., BY Kuha & Co., Cor. 15th & Bougias Ste. J. A. Fuller & Co., Cor. 14th & Douglas Sts. A. D. Foster & Co., Council Bluffs, 18.